I refer to correspondence from Local Government and Regeneration Committee dated 05 February 2013 and note below my response to the questions contained therein.

1. Can you describe the approach that your local authority has taken to both short-term and long-term budget planning since the onset of the financial crisis? For example, has your local authority taken a “zero-based” approach, or has it set out a range of options for savings? Please supply any relevant supporting documentation, for example copies of any budget planning exercises etc.

At the beginning of 2010 the Council commenced a substantial change programme which was designed to co-ordinate and challenge activity across the whole Council. One of the main reasons for developing this change programme was to ensure that the Council would be well positioned to meet the future challenging financial outlook. The main theme within the change programme, referred to as our Transformation Programme, was a programme of service reviews. The service reviews were designed to look radically at each service of the Council over a three year period with a target for services to identify a range of options to reduced costs by a minimum of 15%. The first 2 rounds of service reviews resulted in savings within the 2010-11 and 2011-12 budgets, at which point the target savings were increased to a minimum of 20% in response to the financial outlook.

The service reviews as well as delivering a financial savings were all used as an opportunity for the Council to investigate options for improving the performance, value for money, economy, efficiency and effectiveness of services. They also allowed the Council to ensure that services were aligned to customer and community needs and that issues related to equalities and sustainability were identified and dealt with. Each service review followed Prince2 methodology and the Council developed comprehensive service review guidance which included a number of reporting templates that each review followed, to ensure consistency in approach. A copy of our service review guidance is attached.

2. Can you describe the consultation that your local authority undertook on your budget plans, both with stakeholders, and the general public?

Argyll and Bute opened up their budget for general consultation for this first time in August 2010 in relation to budget proposals for the 2011-12 budget. The consultation started with the publication of a document entitled ‘Difficult Choices for Difficult Times’. Consultation events and activities took place to promote the consultation and to encourage participation across Argyll and Bute. The consultation was led by the Council and received support from Community Planning partners. A variety of consultation methods were used to make the
consultation as widely available as possible and to encourage responses from a range of people and groups who may have been affected by changes to council services. These methods included paper and web based questionnaires, press briefings, public meetings, community planning meetings, employee meetings, third sector partnership meetings, advertorials in the local press and the Citizens’ Panel. During the consultation the service review options that had a direct effect to the public were published. The consultation ran until 31 December 2011.

A similar approach to the 2011-12 budget consultation was carried out for the 2012-13 budget with the consultation period running from 13 October 2011 to 6 December 2011. In addition to the methods used in 2011-12 we also had a budget simulator that allowed the respondents to devise budget scenarios, we had a series of web chats and we also used twitter to send out three tweets each day during the 6 week consultation period.

The consultation for the 2013-14 budget used similar methods to previous years. Specific budget savings options weren’t consulted on this year, a more general questions were asked which will be used by the Council who adopted a 7 year approach to balancing the budget. We were keen to get views on what services the public thought should be prioritised and those were they feel we could reducing spending.

In addition to the general budget consultation, the service review process also required engagement with employees and trade unions, customers and the community, suppliers and the third sector.

3. How have the outcomes of your consultation fed into and influenced your budget plans?

A report on the outcome of the budget consultation is submitted to the Council when it considers the budget. In this it is worth remembering the focus over these years has been around significant reduction in spending. As the Council moves forward the aim is to use this process to consider the detail of future priorities.

4. What involvement has there been from external consultants/advisers in your budget planning, and what influence has this involvement had on your final plans?

Some of the service reviews chose to use a consultant to either manage the service review or to provide a challenge on the options coming out of the review. The consultant was chosen due to their experience within the particular service area and this, therefore, influenced the review to ensure that service delivery options were sound, would deliver a financial benefit and would be sustainable into the future.

Consultants / advisors have not been used in developing the overall strategy or management of the process.

Sally Loudon
Chief Executive